

Federal Trade Commission/Office of the Secretary  
Room 159-H (Annex C)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

Re: Project No. 611017

To Whom It May Concern”

### Comments on Proposed FCRA Dispute Regulations

Resurgent Capital Services, LP (Resurgent) would like to thank the Federal Trade Commission for the opportunity to comment on “Procedures to Enhance the Accuracy and Integrity of Information Furnished to Consumer Reporting Agencies under Section 312 of the Fair and Accurate Credit Transactions Act, Project No. R611017.”

#### Background on Resurgent

Resurgent is a servicer of distressed consumer debt and reports information related to those debts to the consumer reporting agencies as requested by the debt purchaser. Account updates are submitted to the three national credit reporting agencies (CRAs) on a monthly basis. Because of the status of the accounts serviced, reporting is conducted as a factoring company in accordance with the rules outlined by the Consumer Data Industry Association (CDIA) and interpretations offered by the major credit reporting agencies. The following comments are based on Resurgent’s experience in reporting in this context.

#### Disputes, Reporting of Purchases/Sales, Record Retention

In response to the questions regarding credit bureau reporting disputes, the type of investigation Resurgent conducts is dependent on the issue that is raised. Procedures are in place for each category of dispute to ensure that all reviews are thorough and make use of all available resources. When reporting differences are discovered they are corrected, including the deletion of trades if the accuracy of data comes into question. As accounts are purchased or sold, they are added or deleted as required by the CRAs for a factoring company. Resurgent believes it is a sound business practice to document these procedures and policies, and has done so. Records are retained as required by all applicable laws, and the availability of records has never been impacted by premature destruction.

#### Reporting Accuracy

In order to ensure the accuracy of reported data, Resurgent had dedicated staff which is tasked with ensuring that information is properly handled and controlled by continually monitoring the reporting process. Whenever questions arise, the three major CRAs and/or internal Legal and Compliance staff are consulted for clarification as appropriate. In addition, the process feedback provided by the reporting agencies is used to improve the overall accuracy of updates and is included as one of the primary quality control indicators for the group.

In reading the request for comments, the recommendation to ask the CRAs for feedback makes sense and Resurgent has continually done so. However, our experience in getting information is that it has taken significant effort to get modestly helpful data. Even after repeated efforts to improve the reporting of results, the available feedback does not include regular, comprehensive account level detail. Specifically, it is still not possible to get confirmation of which specific account updates or deletions have been accepted or rejected and the reason for those rejections. Without such information, the confidence in successful update is not even measurable and the ability to correct reporting errors is negatively impacted. The issue is compounded by the fact that all 3 CRAs have different criteria for accepting a customer file. Resurgent believes that it is imperative that CRAs and furnishers work together to continually improve reporting accuracy and we continually do so.

#### Consumer Misinterpretation of Reporting Formats

In addition to a response to these specific questions, it is critical to note that the most significant issue in Resurgent's credit reporting experience is not incorrect information, but widespread consumer misinterpretation of the presentation of that accurate information as presented in their consumer reports. Those rules are fraught with conventions that are confusing to consumers and therefore become the subject of disputes. The reporting standards for factoring companies were developed several years ago when the debt purchasing industry was in its infancy, have never been amended and do not provide customers a clear indication of account status. This lack of clarity has resulted in outcries of inaccuracy, which have increased as more accounts move through the sale process and customer access to their credit reports has become less expensive, easier and more commonplace. The nomenclature used in the Metro II reporting format for factoring companies which is subsequently included on consumer reports adequately presents the status of the account to those within the credit industry who regularly work with credit reports, but the terminology is confusing to the customer. Examples of unclear terminology, include (but are not limited to) the use of "Open Date" (which represents the date acquired/purchased but is interpreted by consumers as a date which extends the reporting period of the trade) and "Portfolio Type" which describes the type of account as "Open" (meaning an open-ended account, which the account was) but is misread as an active account.

This customer confusion is exacerbated because, despite receiving the same reporting input, the three credit reporting agencies present the same data differently, sometimes changing the description provided by the reporting record or adding information that was not presented by the furnisher. This results in furnishers having to defend information that is confusing, out of its original context or that was never submitted in their update files. For instance, at least one of the bureaus has chosen to label all accounts as "installment" loans despite the fact that few were ever an installment loan and none were reported as such in the prescribed report format submitted by the furnisher.

#### Recommendations/Comments

Resurgent agrees with the proposed clarification of those circumstances in which a direct dispute received by a data furnisher warrant an investigation. We also agree that credit reporting disputes should be thoroughly investigated, regardless of whether the customer contacts the credit reporting agencies or the data furnisher, and that all involved in the reporting of consumer credit data should be diligent in their efforts to ensure accuracy of that information. Data furnishers and CRAs should have procedures in place to ensure that all available resources to do so and both parties should work together to improve data accuracy. However it is our experience that a significant number of the disputes are caused by the current reporting formats rather than the accuracy of the data we report. Therefore, Resurgent believes that customer complaints would be significantly reduced if that format was revised to be consumer friendly. In addition, the CRAs should be able to provide additional, account level information, to assist in identifying reporting errors and advise the data furnisher whether an update has been successful. Neither is available except in an individual basis, which is insufficient for high volume providers.

Again, Resurgent would like to thank the Federal Trade Commission for the opportunity to comment on these proposals. I would be happy to answer any questions regarding these comments. I can be reached at 864-248-5761.

Sincerely,

John Shinovich  
V.P. Compliance